

Specifications for Industrial Supplies

1. Purpose

In this Invitation to Bid ("ITB"), the State of Tennessee ("State") is seeking to award one or more contracts ("Contract") to Contractor(s) that can satisfy the State's Industrial Supplies needs. Contractor(s) awarded a Contract pursuant to this ITB shall provide industrial supplies to all Authorized Users at the same price and under the same terms and conditions.

The State invites all potential Bidders to provide competitive prices and quality, along with strong organizational capabilities. Additionally, the State is hoping to curtail spend outside of the categories and subcategories listed in Section 4. Bidders must have the ability to restrict purchases on certain categories and subcategories of items and must work with the State to minimize and eventually eliminate spend on items specified in the categories and subcategories listed in Section 4.

2. Key Outcomes

By awarding one or more Contracts pursuant to this ITB, the State seeks to accomplish the following:

1. To obtain competitive pricing by leveraging a Bidder's specialization in a certain category
2. To minimize spend on items that are not specified in the categories and subcategories listed in Section 4
3. To reduce cost through operational efficiencies

3. Historical Spend

The following figures convey historical spend by State agency Authorized Users. The numbers can be used as estimates for future demand by State agency Authorized Users. However, all quantities are estimates only and the State shall not be obligated to purchase a minimum quantity of items.

Category	Average Yearly Historical Spend
Commercial Cleaning and Janitorial	\$1,346,354
General Industrial	\$3,377,093
HVAC and Refrigeration	\$701,749
Lighting and Electrical	\$1,534,646
Plumbing	\$1,591,018
Safety	\$1,072,570
Security	\$151,478

Given the average yearly historical spend, the State estimates an Estimated Liability of \$49,000,000 across five years, which is the Maximum Term for this Contract.

4. Subcategories Not Allowed on this Contract

The State has chosen seven categories, each with subcategories, to classify items that can be purchased on this Contract. Contractors must work with the State to eliminate the purchase of items that do not fall into their respective categories and subcategories. The following are subcategories that are not allowed to be sold through this Contract.

- Paper Products

- Personal Care Products
- Bicycles and Scooters
- Camping Equipment
- Drums
- Furniture, Hospitality, and Food Service
- Lab Supplies
- Office Supplies
- Paint, Equipment and Supplies
- Raw Materials
- Reference and Learning Supplies
- Spill Control Supplies
- Workwear
- Self-Defense

5. Market Basket and Non-Market Basket Items

The ITB will result in one Market Basket per category and Non-Market Basket discount percentage(s) off per category. The Market Basket represents items that constituted a significant portion of the spend in each category. The State expects competitive pricing on the Market Basket items.

Bidders are encouraged to provide pricing for all Market Basket items, and must provide pricing for at least 95% of the items in the Market Basket of each responding product category in order to be considered responsive. Bidders must provide discount percentages for the Non-Market Basket of each responding product category.

Each Market Basket represents a group of items representative of historical spend. Market Baskets include the State's best estimate of the highest use and most essential items. Bidders are required to individually price Market Basket items in this ITB with all-inclusive, firm, set prices. Pricing must include all delivery (three business days), shipping, service, restocking, and administrative costs associated with the product.

The Contractor shall submit a monthly spend report as part of regular business reviews and may be required to meet with the State to discuss the items that are being purchased under this Contract.

The State shall also reserve the right to review the items that make up the Market Basket once a year, or as needed. Any modification to the Market Basket including but not limited to adding new products, removing products, or changes to existing prices or product details (i.e., UOM) require mutual agreement of both parties.

The State will only accept items that are functionally equivalent to the items specified. The State reserves the right to reject any item proposed for the market basket and require the awarded vendor to provide an alternative product that meets its requirements, at the price originally proposed.

6. Product Availability

The Contractor must communicate manufacturer's discontinuation of any products to the State Contract Manager in writing within at least 30 calendar days of the item's discontinuation. In such instances, Contractor shall work with the State Contract Manager to identify and implement alternative options

that shall maintain or reduce costs and supply equal or greater quantities per UOM associated with the replacements. The Contractor shall be prepared to offer detailed quarterly reports if requested by the State, displaying removed items off of contract list and suggested replacements.

8. Order Fill Rate

Order fill rates will be maintained at 98% or greater for all Market Basket items. Order fill rate, will be defined as “the total number of items on an order filled completely and delivered within the delivery timeframe divided by the total number of items on an order.”

9. Order Confirmation

The Contractor shall send an order confirmation to the Authorized User, according to industry best practices.

10. Customer Service

Contractors must provide the State with a customer service team that will be dedicated to this Contract and be available at a minimum of Monday through Friday from 8AM to 5PM Central Time. Contractors must provide a toll-free telephone number, a toll-free, facsimile number, and an email address to contact the customer service team to place orders. This team will take orders from any State Authorized User. The team’s prime responsibilities consist of managing their network’s distribution and warehousing centers that carry the requested part and arranging prompt delivery to the State’s locations. This team will play an important role in achieving the delivery required by various agencies.

The team must be knowledgeable, qualified, and experienced in its respective so that it can assist the Authorized User’s maintenance and procurement personnel in providing advice on the type of parts that best suit its needs.

11. Custom Reporting

The Contractor(s) must submit Custom Monthly Spend Reports in Microsoft Excel to the State Contract Manager. The Custom Monthly Spend Reports should provide statistical data on all purchases made by all Authorized Users. The data will be detailed and broken down by line item to include at least the following:

- a. Contract number
- b. Invoice Date
- c. Manufacturer Number
- d. Item Category
- e. Item Subcategory
- f. Item Description
- g. Name of Agency or Local Government Unit
- h. Type of Purchasing Entity
- i. Address of Agency or Local Government Unit
- j. UOM
- k. Number of items per UOM
- l. Market Basket Item (Yes/No)

- m. Quantity Purchased
- n. List Price
- o. Invoice Price
- p. Emergency freight charge
- q. Total Price (Quantity Purchased X Invoice Price)

Reports must include the ability to sort/summarize by account, item number, and Product Category. Awarded Contractors agree to provide all data requested in a format as designated by the State Contract Administrator.

12. Emergency Delivery

The Contractor shall notify the Authorized User of any potential delivery delays within 24 hours after receiving a purchase order. Similarly, Contractors shall notify the Authorized User within 24 hours if an item is out of stock, along with the length of the wait time for availability. The Authorized User shall then make the determination if it can wait for the proposed delivery. If not, the Authorized User may purchase an alternate item available or the item from another source outside the Contract. The Contractor shall also provide the ability for Emergency Delivery for all goods and services within 24 hours after receipt of order, if needed by the Authorized User. Emergency freight charges shall be expressed as a percentage of the total invoice amount and shall be contractually fixed based on the agreed upon percentage between the Contractor and State.

In the event of an emergency, State reserves the right to pick up orders at the closest Contractor retail center. The State shall determine which orders are emergency orders or utilize any other vendor as deemed necessary.